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DIAMOND MCCARTHY LLP

909 Fannin, Suite 1500
Houston, Texas 77010
Telephone (713) 333-5100
Facsimile (713) 333-5199

Allan B. Diamond, TX State Bar No. 05801800
Email: adiamond@diamondmccarthy.com
P. Jason Collins, TX State Bar No. 24040711
Email: jcollins@diamondmccarthy.com

Special Litigation Counsel for USACM Liquidating Trust

LEWIS AND ROCA LLP

3993 Howard Hughes Parkway, Suite 600
Las Vegas, NV 89169-5996
Telephone (702) 949-8320
Facsimile (702) 949-8321

Rob Charles, NV State Bar No. 006593
Email: rcharles@lrlaw.com

Counsel for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

In re:
USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,

Debtor.

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

In re:
USA SECURITIES, LLC,

Debtor.

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

USACM LIQUIDATING TRUST; and
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC;

Plaintiffs,

v.

BEADLE, MCBRIDE, EVANS & REEVES, LLP,
REEVES, EVANS, MCBRIDE & ZHANG, LLP, TG
MCBRIDE CPA LTD., and T. GARTH MCBRIDE,

Defendants.

Case Nos.:
BK-S-06-10725-LBR
BK-S-06-10726-LBR
BK-S-06-10727-LBR
BK-S-06-10728-LBR
BK-S-06-10729-LBR

JOINTLY ADMINISTERED
Chapter 11 Cases

Judge Linda B. Riegler

**SECOND SUPPLEMENTAL
FILING IN SUPPORT OF
APPLICATION TO
COMPROMISE AND SETTLE
CONTROVERSIES WITH
BEADLE, MCBRIDE, EVANS &
REEVES, LLP, ET AL.**

Hearing Date: December 8, 2008
Hearing Time: 1:30 p.m.

1 **SECOND SUPPLEMENTAL FILING IN SUPPORT OF APPLICATION**
2 **TO COMPROMISE AND SETTLE CONTROVERSIES WITH BEADLE,**
3 **MCBRIDE, EVANS & REEVES, LLP, ET AL.**

4 Geoffrey Berman (“Berman” or the “Trustee”), Trustee of the USACM Liquidating Trust
5 (the “USACM Trust”) and Michael Tucker (“Tucker” or the “Manager”), Manager of the USA
6 Capital Diversified Trust Deed Fund, LLC (“DTDF”) hereby file this second supplement in
7 support of their Application to Compromise and Settle Controversies with Beadle, McBride,
8 Evans & Reeves, LLP, et al (the “Motion”).

9 Counsel for the USACM Trust, DTDF, Mary Petersen, et al. (collectively, “Petersen”),
10 and Stanley Fulton (“Fulton”) have discussed potential objections Petersen and Fulton may have
11 to the amended proposed findings of fact and conclusions of law filed on November 24, 2008.
12 Though an agreement could not be reached that would fully dispose of Petersen and Fulton’s
13 objections, the USACM Trust and DTDF have attached the following items for the Court’s
14 review and consideration in an attempt to narrow the issues before the Court and address certain
15 concerns raised by Petersen and Fulton: (i) the second amended proposed findings of fact and
16 conclusions of law (attached hereto as Exhibit “A”); and (ii) an amended proposed order
17 (attached hereto as Exhibit “B”).

18 Wherefore, premises considered, USACM Trust and DTDF respectfully requests this
19 Court approve the settlement between the USACM Trust, DTDF, and Beadle, McBride, Evans &
20 Reeves, LLP, et al., and enter the second amended proposed findings of fact and conclusions of
21 law attached as Exhibit “A.”

22 DATED this 4th day of December 2008.

23 *{Remainder of Page Left Intentionally Blank}*

Respectfully Submitted:

DIAMOND McCARTHY LLP

By: /s/ Eric D. Madden
Eric D. Madden, TX 05801800 (pro hac vice)
P. Jason Collins, TX 24040711 (pro hac
vice pending)
J. Maxwell Beatty, TX 24051740 (pro hac
Vice)
6504 Bridge Point Parkway
Suite 400
Austin, Texas 78730
(512) 617-5200 (telephone)
(512) 617-5299 (facsimile)

Special Litigation Counsel for Plaintiffs

LEWIS AND ROCA LLP

By: /s/ Rob Charles
Rob Charles, NB 6593
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada 89169-5996
(702) 949-8321 (telephone)
(702) 949-8320 (facsimile)

*Counsel for USACM Liquidating
Trust*

CERTIFICATE OF SERVICE

I hereby certify that, on December 5, 2008, a copy of the foregoing was served either electronically or via first class mail to all existing and prospective defendants to any suits brought or to be brought by the USACM Trust and/or DTDF.

/s/ P. Jason Collins

P. Jason Collins

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

Case Nos.:
BK-S-06-10725-LBR
BK-S-06-10726-LBR
BK-S-06-10727-LBR
BK-S-06-10728-LBR
BK-S-06-10729-LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,

Debtor.

JOINTLY ADMINISTERED
Chapter 11 Cases

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

Judge Linda B. Riegler

In re:
USA SECURITIES, LLC,

Debtor.

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW IN
SUPPORT OF ORDER
APPROVING SETTLEMENT
BEADLE, MCBRIDE, EVANS &
REEVES, LLP, ET AL.**

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

1 USACM LIQUIDATING TRUST; and
 2 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
 LLC;

3 Plaintiffs,

4 v.

5 BEADLE, MCBRIDE, EVANS & REEVES, LLP,
 REEVES, EVANS, MCBRIDE & ZHANG, LLP, TG
 MCBRIDE CPA LTD., and T. GARTH MCBRIDE,

6 Defendants.

7 This Court, having considered the *Application to Compromise and Settle Controversies with*
 8 *Beadle, McBride, Evans & Reeves, LLP, et al.* (the “Motion”) and the Declarations of Geoffrey L.
 9 Berman and Michael Tucker in support thereof and the arguments of counsel made at the hearing on
 10 the Motion to Compromise held November 18, 2008; and

11 This Court having considered the Pleading in Support of the Motion to Compromise and the
 12 arguments of counsel, now therefore makes the following findings of fact and conclusions of law under
 13 Federal Rule of Civil Procedure 52 and Federal Rules of Bankruptcy Procedure 7052 and 9019.

14 1. Notice of the Motion (“Notice”) was properly served on all creditors of the above-titled
 15 estates, including to persons and entities who might reasonably be anticipated to have claims for
 16 indemnification and/or contribution.

17 2. The claims being settled are assets of the USACM Liquidating Trust (the “USACM
 18 Trust”). Geoffrey L. Berman (“Berman” or the “Trustee”) currently serves as a trustee of the USACM
 19 Liquidating Trust.

20 3. The claims being compromised also belong to USA Capital Diversified Trust Deed
 21 Fund, LLC (“DTDF”). Michael Tucker (the “Manager”) is the manager of DTDF.

22 4. The beneficiaries of USACM Trust and DTDF are the creditors of USA Commercial
 23 Mortgage Company (“USACM”) and the interest holders in DTDF.

1 5. The claims being compromised herein arise from professional services rendered by
2 Beadle, McBride, Evans & Reeves, LLP, Reeves, Evans, McBride & Zhang, LLP, TG McBride CPA
3 Ltd., and T. Garth McBride (collectively, "BMER") to DTDF and FTDF.

4 6. The USACM Trust and DTDF have investigated the merits of the claims against BMER
5 and have conducted such investigation as they deemed reasonable into the merits of the claim. In
6 addition, the USACM Trust and DTDF have inquired into the complexity of proving the potential
7 claims, the expense of prosecuting such claims, the duration of litigation or other means for
8 prosecuting the claims, and have evaluated the difficulties of collection and the assets available for
9 satisfying any potential judgment.

10 7. Based upon this evaluation, the Trustee and the Manager have recommended this
11 compromise as fair and equitable.

12 8. The Compromise is fair and equitable to the USACM Trust.

13 9. The Compromise is fair and equitable to DTDF.

14 10. At the present time, no claims for indemnification or contribution have been asserted,
15 although the USACM Trust and DTDF have commenced litigation against persons and entities that
16 may have such claims.

17 11. At the present time, no claims have been asserted by creditors of any of the above-titled
18 estates against BMER.

19 12. No USACM Trust beneficiary or DTDF interest holder has objected to this
20 compromise.

21 13. The amount paid in the settlement is fair and equitable in light of BMER's insurance
22 policy limits and BMER's financial condition.

23 14. There was no collusion, fraud, or tortious conduct aimed to injure the interests of any

1 non-settling defendants in connection with the negotiation and execution of the Settlement Agreement.

2 15. The Settlement Agreement is in the paramount interest of the creditors.

3 **CONCLUSIONS OF LAW**

4 1. Notice has been given to all parties to the above-titled estates, including to persons and
5 entities who might reasonably be anticipated to have claims for indemnification and/or contribution.

6 2. USACM Trust and DTDF have standing to assert the claims being settled and have
7 standing to bring this Motion.

8 3. In light of the complexity of the potential claims, the expense of litigating these claims,
9 the duration of such litigation, and the difficulties of collection in the event the estates are successful,
10 the settlement with BMER is fair and equitable and reasonable under the circumstances and therefore
11 is approved under Federal Rule of Bankruptcy Procedure 9019.

12 # # #

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

Case Nos.:
BK-S-06-10725-LBR
BK-S-06-10726-LBR
BK-S-06-10727-LBR
BK-S-06-10728-LBR
BK-S-06-10729-LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,

Debtor.

JOINTLY ADMINISTERED
Chapter 11 Cases

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

Judge Linda B. Riegler

In re:
USA SECURITIES, LLC,

Debtor.

**ORDER APPROVING
SETTLEMENT WITH
BEADLE, MCBRIDE, EVANS &
REEVES, LLP, ET AL. AND
ORDER BARRING CERTAIN
CLAIMS UNDER NEVADA
REVISED STATUTE §17.225, et
seq.**

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

1 USACM LIQUIDATING TRUST; and
2 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
3 LLC;

4 Plaintiffs,

5 v.

6 BEADLE, MCBRIDE, EVANS & REEVES, LLP,
7 REEVES, EVANS, MCBRIDE & ZHANG, LLP, TG
8 MCBRIDE CPA LTD., and T. GARTH MCBRIDE,

9 Defendants.

10 On December 8, 2008 this Court held a hearing on the *Application to Compromise and Settle*
11 *Controversies with Beadle, McBride, Evans & Reeves, LLP, et al.* (the “Motion”) filed by Geoffrey
12 Berman (“Berman” or the “Trustee”), Trustee of the USACM Liquidating Trust (the “USACM Trust”) and
13 Michael Tucker (“Tucker” or the “Manager”), Manager of the USA Capital Diversified Trust Deed Fund,
14 LLC (“DTDF”). The Motion requested: (1) an Order Approving Settlement, and (2) for an Order pursuant
15 to Nevada Revised Statute §17.245, et seq. barring claims against Beadle, McBride, Evans & Reeves, LLP
16 Reeves, Evans, McBride & Zhang, LLP, TG McBride CPA Ltd., and T. Garth McBride (collectively,
17 “BMER”) for indemnity and/or contribution. The relief requested is hereby GRANTED IN PART AND
18 DENIED IN PART.

19 Pursuant to the Motion and as set forth in the separate Findings of Fact and Conclusions of Law
20 entered pursuant to Bankruptcy Rules of Procedure 9014 and 7052, and Federal Rule of Civil Procedure 52,
21 this Court GRANTS the following relief:

22 1. The Settlement Agreement, Mutual Release, and Covenants dated July 18, 2008 between
23 the Trustee, the USACM Trust, the Manager, DTDF, and BMER (the “Settlement Agreement”) is
approved pursuant to Federal Rule of Bankruptcy Procedure 9019.

1 2. This Court shall retain jurisdiction to interpret and enforce the terms of the Settlement
2 Agreement and this Order Approving Settlement.

3
4 All other relief requested, including the request for a bar order pursuant to NRS § 17.245, is
5 DENIED.

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